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INTRODUCTION

I, Chairperson of the Committee on Papers Laid on the Table of the House (2021-22), having been authorized by the Committee to present this Report on their behalf, present this Forty Eighth Report in respect of the delays in laying of the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation Limited, Noida.

2. In terms of the recommendations of the First Report and the Second Report (05th Lok Sabha) and the Second Report (06th Lok Sabha) of the Committee on Papers Laid on the Table, presented to the House on 08th March, 1976; 12th May, 1976 and 22nd December, 1977 respectively, the Annual Report and Audited Accounts of the Organisation/company are required to be laid on the Table of the House within nine months of the closure of the accounting year.

3. The Committee considered the matter of delays in laying the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation Limited, Noida and took oral evidence of the representatives of the Ministry of Housing & Urban Affairs at their sitting held on 22nd September, 2020.

4. The Committee considered and adopted this Report at their sitting held on 29th November, 2021.

5. The Committee wish to express their thanks to the officers of the Ministry of Housing & Urban Affairs and the Noida Metro Rail Corporation Limited, Noida, for furnishing the written replies and other material/information for placing their views in the matter before the Committee.

6. The Observations/Recommendations of the Committee have been printed in bold letters at the end of the Report.

New Delhi
December, 2021
Agrahayana, 1943(Saka)

Ritesh Pandey
Chairperson
Committee on Papers Laid on the Table

REPORT

Delay in laying of the Annual Reports and Audited Accounts of the Noida Metro Rail Corporation Limited for the years 2017-2018 and 2018-2019

Noida Metro Rail Corporation Limited (NMRC) is a Company incorporated under the provisions of the Companies Act, 2013 on 5th November, 2014, by the Government of Uttar Pradesh (GoUP) as a Special Purpose Vehicle (SPV) for the purpose of planning, building and establishing of mass transit and other urban transport and people mover systems of all types and disciplines. Presently, the NMRC is a joint venture company of the Government of India (GoI) and GoUP. The Board of Directors of the company comprises 05 nominee Directors of GoI including ex-officio Chairman and 05 nominee directors of GoUP including the Managing Director.

2. The Ministry of Housing and Urban Affairs (Urban Transport Division), *vide* its written submission dated 19th August, 2020, have informed that, -

- the NMRC has executed the Noida-Greater Noida Metro Rail corridor covering a length of 29.707 kms. between Noida and Greater Noida which is operational since 26th January, 2019.
- the corridor consists of 21 stations out of which 15 are in Noida and 6 in Greater Noida.
- the NMRC has received “IGBC PLATINUM” rating for all its 21 elevated stations from the IGBC Green Rating System.
- the Metro Rail is providing comfortable, safe, reliable and fast transport to the public and in this regard, the NMRC is operating city bus services in Noida and Greater Noida and a total of 50 low floor airconditioned buses have been deployed as metro feeder bus service in Noida and Greater Noida providing last mile connectivity from the NMRC metro stations covering almost all major landmarks, residential societies, companies, educational institutions etc.
- the Company has also deployed E - Rickshaws at major metro stations for the facilities of the commuters.

3. The Committee was informed that as per the provisions under Section 394(1) of the Companies Act, 2013, the Annual Report and Audit report of the Company are being laid before both the Houses of Parliament. Section 394(1) of the Companies Act, 2013 states that

“Where the Central Government is a member of a Government company, the Central Government shall cause an annual report on the working and affairs of that company-

(a) prepared within three months of its annual general meeting before which the comments given by the Comptroller and Auditor-General of India and the audit report is placed under the proviso to sub-section (6) of section 143; and

(b) as soon as may be after such preparation, laid before both Houses of Parliament together with a copy of the audit report and comments upon or supplement to the audit report, made by the Comptroller and Auditor-General of India.”

The Committee was further informed that the timeline for preparation of the Annual Report was within three months of the Annual General Meeting of the Company and as soon as it was prepared it was to be placed before the Parliament.

4. In this connection, it may be mentioned that according to the recommendations of the Committee on Papers Laid on the Table contained in Paras 1.16 and 3.5 of the First Report (5th Lok Sabha), Paras 4.16 and 4.18 of the Second Report (5th Lok Sabha) and Paras 1.12 and 3.6 to 3.8 of the Second Report (6th Lok Sabha) presented to the House on 08.03.1976, 12.05.1976 and 22.12.1977 respectively, the Annual Report and Audited Accounts together along-with Review Statement of the Institutes/Organizations (Statutory/Autonomous Organization, Public Undertakings, Corporations, Joint Ventures, Societies, etc.) are required to be laid within nine months of the closer of the respective accounting year. To comply with this requirement, it has been emphasised that proper time schedule should be laid down for compilation of Annual Report and Audited Accounts.

Moreover, Rule 236(1) of the General Financial Rules (GFR), 2017 states that, -

“the accounts of all Grantee In Institutions or Organisations shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor-General of India under the provision of CAG(DPC) Act, 1971 and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the Institution or Organisation is called upon to do so and a provision to this effect should invariably be incorporated in all orders sanctioning Grants-in-aid.”

As per Rule 237 of GFR, the Annual Reports and Audited Accounts of the organizations are required to be laid on the Table of the House within nine months of the closure of respective accounting year.

5. The Committee examined reasons for delay in laying of the Annual Reports and Audited Accounts of the NMRC for the years 2017-18 and 2019-19. The Ministry submitted the reasons for delay for years 2017-18 and 2018-19 as under: -

(a) Reasons for delay for the financial year 2017-18

- i. The services of Internal Audit were terminated by the Company due to non-performance of duties which caused late closing of Annual Accounts 2017-18.
- ii. NMRC has sent its financial statement for the Financial Year 2017-18 to the Comptroller and Auditor General (CAG) for comments on 25.09.2018.
- iii. CAG has provided comments on the financial statement on 26.12.2018.
- iv. The report of CAG was placed before the board on 28.12.2018. After approval of the Board, Annual Report was put up before the shareholders in the 4th AGM which was held on 28.12.2018.
- v. As per Section 394 of the Companies Act, 2013, Annual Reports on Government Companies shall be prepared within three months of its AGM.
- vi. The Annual Report 2017-18 of the NMRC has been received in the Ministry of Housing and Urban Affairs on 20.03.2019. Further, the Winter Session 2018 of Parliament was adjourned *sine-die* on 13.02.2019.

Therefore, the same has been laid on the Table of Lok Sabha / Rajya Sabha in the Budget Session 2019.

(b) Reasons for delay for the financial year 2018-19

- i. The Company was unable to hold its Board meeting for approval of unaudited Annual Accounts in the month of August, 2019 and in first two weeks of September, 2019 because of major and frequent changes in the composition of the Board of Directors of the NMRC.
- ii. A major fire incident occurred in the premises of the NMRC in the last week of July, 2019 due to which the management suffered heavy loss in terms of its work and property i.e. loss of internet connectivity and sitting space. This incident led to an unavoidable delay in the preparation of annual accounts of the Company for this financial year due to which accounts could not be placed before the Board well within time.
- iii. NMRC has sent its financial statements for the Financial Year 2018-19 to the Comptroller and Auditor General (CAG) for comments on 24.09.2019.
- iv. CAG has provided comments on the financial statement on 20.12.2019.
- v. The report of the CAG was placed before the Board on 31.12.2019. After approval of the Board, Annual Report was put up before the shareholders in the 5th AGM which was held on 31.12.2019.
- vi. As per Section 394 of the Companies Act, 2013, Annual Reports on Government Companies shall be prepared within three months of its AGM.
- vii. The Annual Report 2018-19 of NMRC has been received in the Ministry of Housing and Urban Affairs on 15.01.2020. Further, the Winter Session 2019 of Parliament was adjourned *sine die* on 13.12.2019.

Therefore, the same has been laid on the Table of Lok Sabha / Rajya Sabha in the Budget Session 2020.

6. In response to the issue whether the Ministry agreed that delays in laying the documents indicated that due importance was not given to timely of the papers before Parliament and the things were taken in a casual manner, the Ministry further informed that, -

“due importance was given to timely placement of papers before the Parliament and things were not taken on a casual manner as on both the occasions i.e. in 2017-18 as well as 2018-19, the delay caused was due to factors which were beyond the control of the company”, and thatonce the issues for the delay were settled, the Company took swift action to finalise the Annual Accounts and immediate necessary action was taken to place the report before the Parliament as early as possible.”

7. Regarding the identification of stages in which delays have occurred during these years and how it proposes to curtail delays in future, the Ministry submitted that, -

“the Company has identified the stages in which delays have occurred such as due to certain issues like floating of new tender for appointment of Internal Auditor, fire in the office and due to delay in receiving the comments on the Audit Report from C&AG. The Ministry has submitted that the financial activities have been automated and responsibility of the team has been fixed to give timely reports and that in future, it shall be ensured to carry out all such functions well in time so that no unnecessary delays are caused.”

8. On the issue of whether there was any delay in the appointment of auditors for the purpose of auditing Annual Accounts of the Corporation during the years, the Ministry informed that *“there was no delay in appointment of the Auditors for the purpose of auditing annual accounts of the Company during the said years.”*

Further as to if the Corporation faced any problem in connection with translation of the documents into Hindi and subsequent printing thereof, the Ministry clarified that *“the Company did not face any problem in connection with translation of the documents into Hindi and subsequent printing thereof.”*

9. The Ministry has further elaborated that there are no procedural difficulties associated with convening the meeting of the Competent Authority for getting approval of the documents of the Company as the process of accounting to facilitate speedy and timely compilation of accounts of the Company has been computerized and that there is adequate internal audit mechanism to ensure timely compilation of the accounts and to minimise the audit queries at the time of audit.

10. Upon inquiry if there is any mechanism in the Ministry to monitor the progress of work in this regard and to ensure timely laying of the documents, the Ministry in its written submission has stated that, -

“The management of the Company is vested entirely with the Board of Directors (BoD) comprises 05 nominee Directors of GoI including ex-officio Chairman and 05 nominee directors of GoUP including Managing Director.

Officers of the Ministry are in the Board of Directors of the Company as well as in the Committees such as Audit Committee, etc.

Necessary follow up action is also being taken by the concerned section in this Ministry to ensure timely laying of the documents. In present case also, a letter dated 29th November, 2019 was sent to NMRC from the Ministry to expedite the process of submission of Annual Report on time as the Winter Session of Parliament was upto 13th December, 2019.”

11. In respect of finalization of Annual Reports and Audited Accounts of the Corporation for the aforesaid years, the Ministry has submitted a timeline showing the process of finalising the same (**Annexure – I**).

12. On the subject of whether any remedial measures have been taken or proposed to be taken both by the Ministry and the Corporation to ensure timely laying of the documents before Parliament within the prescribed period of nine months from the close of the accounting year, in future, the Ministry has replied that,

“Internal measures such as computerisation of the process of accounting have been taken by the Company to facilitate speedy and timely compilation. The Company has also appointment new Internal Audit Firm to conduct and give timely audit reports to management. Accounts and laying of the documents before Parliament within the prescribed period of nine months from the close of the Accounting Year, in future.”

Observations/Recommendations

13. The Committee note that the papers were not laid on the Table of the House within the stipulated time and the delays happened even after the best efforts on the part of the Ministry as well as the NMRC. The Committee further noted, as the Ministry presented during the oral hearing in the matter, that following all the due process in this regard, the NMRC was made a joint venture of the Government of India and the Government of Uttar Pradesh only on June 2, 2018 and hence in this view, the laying of papers was only due in March, 2019. The Committee also note the error of the Company pointed out by the Ministry that the Company should not have laid papers for 2017-18 on the Table of the Lok Sabha, but instead, should have laid the same on the Table of the Legislative Assembly of the State of Uttar Pradesh; and that the Company should only have laid the papers related to the accounting year 2018-19, which became due only after March, 2020 and that the same was laid on the Table of the House on March 5, 2020. The Committee further note the fact of timely laying of the papers brought out to its cognisance by the Ministry.

14. Duly noting the oral submission made by the Ministry that in consonance with the provisions of the Companies Act, 2013, the papers were laid within the stipulated time of within three months of the Annual General Meeting, the Committee emphasise that nonetheless, according to the recommendations of this Committee and the General Financial Rules, the papers have to be laid within the nine months from the closure of the account year, i.e. in this case, before December 2019. The Committee find that serious consideration and importance should have been given to this timeline.

15. The Committee hope that in future all necessary efforts would be taken by the Ministry as well as the Company in timely laying of the Annual Reports and Audited Accounts of the NMRC with strict adherence to the recommendations of the Committee as well as extant rules of the General Financial Rules.

New Delhi
December, 2021
Agrahayana, 1943(Saka)

Ritesh Pandey
Chairperson
Committee on Papers Laid on the Table

**Statement showing the chronological sequence in respect of finalization of Audited
Accounts of the NMRC for the years 2015-16 to 2018-19.**

Sl. No.	Particulars	Reply	
		Year 2017-18	Year 2018-19
(a)	The date on which Corporation approached the Audit Authorities to appoint the auditors for auditing the accounts, date of their appointment and time taken in appointment after closure of Financial year.	<p>NMRC <i>vide</i> its Letter No. NMRC/GM(F)/2017/839 dated 11.07.2017 had approached the Audit Authorities i.e. Comptroller and Auditor General of India (C&AG) to appoint the Statutory Auditor for auditing the accounts.</p> <p>The C&AG <i>vide</i> its Letter No./CA V/COY/UTTAR PRADESH, NMRCL(1)/1686 dated 03/11/2017 intimated regarding the appointment of Statutory auditor.</p> <p>Time taken in appointment after closure of Financial year was nil days.</p>	<p>NMRC <i>vide</i> its Letter NMRC/ED/F.N.2/2018/1922 dated 10.08.2018 had approached the Audit Authorities i.e. Comptroller and Auditor General of India (C&AG) to appoint the Statutory Auditor for auditing the accounts.</p> <p>The C&AG <i>vide</i> its Letter No./CA.V/COY/UTTAR PRADESH,NMRCL(1)/651 dated 16.08.2018 intimated regarding the appointment of Statutory auditor.</p> <p>Time taken in appointment after closure of Financial year was nil days.</p>
(b)	The date of compilation of Annual Accounts of Corporation and time taken after closure of respective accounting year	Date of compilation of Annual Accounts of Company was 28.05.2018 and time taken after closure of accounting by Company was 58 days.	Date of compilation of Annual Accounts of Company was 14.05.2019 and time taken after closure of accounting by Company was 44 days.
(c)	The date on which the Annual Accounts were submitted to Auditors for auditing and time taken	The date on which the Annual Accounts were submitted to Auditors for auditing was 28.05.2018 and time taken after appointment of auditors was nil days.	The date on which the Annual Accounts were submitted to Auditors for auditing was 14.05.2019 and time taken after appointment of auditors was nil days.

	after appointment of auditors.		
(d)	The date and duration for auditing the Annual accounts of Corporation by Auditors.	The annual accounts were submitted to statutory auditors for the purpose of audit on 28th May 2018. The queries raised by statutory auditors were received in the Company on 18.07.2018. The replies to the audit queries were furnished to the auditors on 23.08.2018.	The annual accounts were submitted to auditors for the purpose of audit on 29.05.2019. The queries raised by auditors were received to the Company on 04.06.2019. Meanwhile a fire accident was occurred in the premise of NMRC Head Quarters which halted the audit process. The replies were furnished to the auditors on 19.08.2019. Total time taken was 97 days.
(e)	The date of queries raised by Auditors during auditing of Annual Accounts and time taken after submission of Annual Accounts to Audit Authorities	During this period, the tender process was initiated for the appointment of internal auditor which was one of the reasons for delayed submission of internal audit report to management. Report for the last quarter was received on 18.09.2018. Total time taken was 113 days.	
(f)	The date on which the replies to the audit queries was furnished to the Auditors and the time taken to resolve the queries		
(g)	The date on which draft Audit Report was issued by Audit Authorities and time taken after receipt of Annual Accounts.	Draft Audit Report issued on 17.09.2018 and time taken after receipt of Annual Accounts nil days.	Draft Audit Report issued on 18.09.2019 and time taken after receipt of Annual Accounts was 30 days.
(h)	The date on which the	The final Audit Report was received by	The final Audit Report was received by Company on

	final Audit Report received by the Corporation and time taken after issue of draft Report.	Company on 25.09.2018 and time taken after issue of draft Report was 8 days.	24.09.2019 and time taken after issue of draft Report was 6 days.
(i)	The date of finalization of Annual Reports and time taken after receipt of final Audit Report.	Annual Report was finalized on 28.12.2018 after receiving of CAG comments on 26.12.2018. Time taken after receipt of final Audit Report is 94 days.	Annual Report was finalized on 31.12.2019 after receiving of CAG comments on 20.12.2019. Time taken after receipt of final Audit Report is 98 days.
(j)	The date on which documents were got approved from the Competent Authority and time taken after finalization of the Annual Report.	The documents were got approved from the competent authority on 28.12.2018 and time taken after finalization of the Annual Report was nil days.	The documents were got approved from the competent authority on 31.12.2019 and time taken after finalization of the Annual Report was nil days.
(k)	The date on which documents were taken up for translation & printing and the time taken for completing the task at each stage.	28.12.2018 (The translation process was initiated after getting approval of unaudited Financials).	31.12.2019 (The translation process was initiated after getting approval of unaudited Financials).
(l)	The date and time taken for sending the documents to the Ministry for being laid	Date of receipt of documents in Ministry was 20.03.2019 and time taken was 82 days.	Date of receipt of documents in the Ministry was 15.01.2020 and time taken was 15 days.

	in House after the completion of printing work.		
(m)	The date of laying of the documents on the Table of the House and time taken by the Ministry in the process of laying of the documents after receipt of the Annual Report and Audited Accounts from the Corporation.	The date of laying of the document on the Table of the House was 11.07.2019. The papers were ready to be placed before the Parliament on receipt of the same from the Company. However, since the Winter Session of Parliament <i>sine die</i> on 13.02.2019, papers were laid in the Budget Session 2019.	The date of laying of the document on the Table of the House was 05.03.2020. The papers were ready to be placed before the Parliament on receipt of the same from the Company. However, since the Winter Session of Parliament <i>sine die</i> on 13.12.2019, papers were laid in the Budget Session 2020.

**EXTRACTS OF THE MINUTES OF THE SITTING OF THE
COMMITTEE ON PAPERS LAID ON THE TABLE HELD ON 22.09.2021**

* * *

The Committee sat on Tuesday, 22nd September, 2020 from 11:00 hrs. to 13:30 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Shyam Singh Yadav - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Shri Raja Amareshwara Naik
4. Smt. Aparupa Poddar
5. Shri T.N. Prathapan

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Smt. B.Visala - Director
3. Shri R.K.Chaudhary - Under Secretary

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**REPRESENTATIVES OF THE MINISTRY OF SHIPPING AND
THE INLAND WATERWAYS AUTHORITY OF INDIA, NOIDA**

1. Dr. Sanjeev Ranjan - Secretary
2. Dr. Amita Prasad - Chairperson, IWAI
3. Shri Rajat Sachar - Senior Economic Adviser, M/o Shipping
4. Shri Pravir Pandey - Vice-Chairman, IWAI
5. Shri Shashi Bhushan Shukla - Member (Traffic & Finance), IWAI
6. Shri A.K. Gupta - Director Finance, IWAI

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2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

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8. Thereafter, the Committee called the representatives of the following five Ministries and respective Organisations one by one to tender oral evidence before the Committee in connection with the delay in laying of the Annual Reports and Audited Accounts -

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The Ministry of Housing and Urban Affairs in connection with delay in laying of the Annual Reports and Audited Accounts of the Noida Rail Noida;

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18. The Chairperson then welcomed the representatives of the Ministry of Housing and Urban Affairs and the Noida Metro Rail Corporation Ltd., Noida to the sitting of the Committee and explained to them that the meeting has been called to discuss the reasons for delays in laying of the Annual Reports and Audited Accounts of the Corporation. The Chairperson also explained to the witnesses the provisions of Direction 58 of Directions issued by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

19. The Committee desired to know the reasons for delay in laying of the documents of the Corporation for the years 2017-2018 and 2018-2019. Shri Durga Shanker Mishra, Secretary, Ministry of Housing and Urban Affairs had informed the Committee that during the year 2017-2018, the funds were not provided to the NMRC by the Central Government. The funds were provided by the Government of Uttar Pradesh, therefore, the Annual Reports and Audited Accounts were laid on the Table of the Legislative Assembly of Uttar Pradesh. In respect of the documents for the year 2018-2019, the Secretary informed thereof the same will be laid on the Table of both the Houses of Parliament.

20 Thereafter, the Hon'ble Chairperson thanked the representatives of the Ministry and the NMRC for useful discussion in connection with examination of the subject.

The witnesses then withdrew.

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A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

**EXTRACT OF THE MINUTES OF THE SITTING OF
THE COMMITTEE ON PAPERS LAID ON THE TABLE
(2021-2022)**

The Committee sat on Monday, 29th November, 2021 from 1500 hours to 1630 hours in Committee Room "C", Parliament House Annexe , New Delhi.

PRESENT

Shri Ritesh Pandey - **Chairperson**

MEMBERS

2. Shri Shafiqur Rahman Barq
3. Dr. Amol Ramsingh Kolhe
4. Dr. A. Chellakumar
5. Shri S.Ramalingam,
6. Shri Saptagiri Sankar Ulaka

SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Shri Munish Kumar Rewari - Additional Director
3. Smt. Manjinder Pubbi - Under Secretary

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2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee.

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3. Thereafter, the Committee took up the seven Reports (original) regarding the delay in laying the Annual Report and Audited Accounts of the following organisation for the consideration :-

- i. Noida Metro Rail Corporation Ltd., Noida;

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4. After deliberations, the Committee adopted the all seven Reports without modifications.

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The Committee then adjourned.

